



Office of Representative Heath Shuler

Representing North Carolina's Eleventh Congressional District

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Rep. Shuler Defends American Taxpayers from Paying Bonuses to AIG Executives

Washington, D.C. – U.S. Representative Heath Shuler stood up for American taxpayers today by supporting legislation to recoup millions of taxpayer dollars that had been used to give bonuses to executives at American International Group (AIG).

AIG, which has received \$170 billion in taxpayer funding through the Troubled Asset Relief Program (TARP), revealed last week that it had granted \$165 million in retention bonuses to executives in the financial products division.

“I was outraged and appalled by AIG’s attempt to pay out millions of dollars in bonuses to its executives whose reckless decision making contributed to the current economic downturn,” said Rep. Shuler. “These executives should be thanking the American people for their jobs, not taking huge bonuses at their expense.”

The Bush Administration had opposed attempts to limit executive compensation packages when the original TARP legislation was proposed in late 2008. Additionally, the stimulus package passed earlier this year continued to allow for the payment of bonuses. Shuler opposed the TARP and stimulus legislation that allowed these bonuses.

“Congress should have taken the steps necessary to prevent these bonuses from day one,” Shuler continued. “The fact that these bonuses have been allowed to continue clearly shows one of the major flaws in rushing complex bills through the legislative process.”

Today’s bill, H.R. 1586, will impose a new 90-percent income tax on bonuses received by individuals who earned more than \$250,000 and worked for companies that have received more than \$5 billion from the TARP.

The top recipient at AIG received more than \$6.4 million in bonuses and more than 73 of executives were paid over \$1 million in retention bonuses.

H.R. 1586 passed the House with an overwhelming bipartisan majority, 328-93. It now goes to the Senate for consideration.

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